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VIA **AIR**
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EGMA-4263

DISPATCH NO.

SECRET/KAPOK
CLASSIFICATION

[JUN 20 1957]

TO : Chief of Base, Munich
ATTN: []
FROM : Chief, SR

DATE INFO: COS

SUBJECT { GENERAL : Operational/REDWOOD/661MPROVE/AERODYNAMIC
SPECIFIC : Transmittal of AEBEEHIVE Memorandum Re Proposed Budget Cut/AERODYNAMIC FY 1958

Reference: EGQW-33150

Action Required: See Par. 2

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ARD	RPH

1. Per Paragraph 11, Ref., submitted herewith is a copy of the memorandum prepared by AEBEEHIVE in reference to the proposed budget cut for AERODYNAMIC project FY 1958.

2. We would appreciate your advising us soonest of the reaction of the local group to the proposed budget cut, and the new Revised Administrative Plan as well as your comments concerning the problem of disposal of personnel and assets.

Attachments:

Att. A, Att. B (USC) & Att. C (USC).

Distribution:

2 - MCB w/Atts. A, B, & C as stated above.
2 - COS w/Atts. A, B, & C as stated above.
1 - RI w/Atts. A, B, & C
1 - SR/3-WA w/o Atts.
2 - SR/3-W3/wAtts. A, B, & C

SR/3-W3/AK; pj/11 June 1957

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FORM NO. 51-29
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ATTACHMENT A TO EGMA-4263

Memo

Matter of: preliminary budget

We wish to express our gratitude in the name of AEBEEHIVE for the subsidy granted in preliminary budget presented to us.

After careful study of all items and the entire budget preliminary, we must note that it is entirely inadequate to enable us to continue our regular and planned political activities along the following lines:

- a) positive influence upon emigres and their defense against Moscow's actions through the Mikhailov Committee etc.,
- b) aiding the Ukrainian people in their struggle of liberation from Soviet colonialism, and
- c) organizing people for technical instruction and reserve ranks.

So that we could continue our activities at least within the same scope as heretofore, we propose that a project of obtaining additional subsidies from private sources be realized. If, however, the project of private source subsidies could not at present be realized, we request that a revision and increase of the preliminary budget be taken under consideration, particularly in the following items:

1) The amount marked for salaries with your proposed number of workers is quite insufficient and lower than the present scale, in spite of the fact that the present rate per person was too low and that we had requested an increase. Under your proposed budgetary item for personnel, we would not only have to discharge more than one-half of the present staff, but even those remaining would not be provided with an adequate living minimum.

It is a well-known fact that the staff of AEBEEHIVE consists not only of members of our group, but also of members of other political centers and discharging any of them would be regarded as an exercise of certain political discrimination on our part; and as to our own group, such personnel reduction would immediately be noted in the community as withdrawal of subsidies from a political group which had been one of the most active in fighting communism.

In the event, however, that we would have to reduce part of our personnel, this should be done gradually over a period of at least 6 months, or by giving the released staff an opportunity to find appropriate work elsewhere.

On our part we consider retaining 8 persons as the final minimum, and under a salary scale at least the same as heretofore. The following are the positions and duties of such 8-person staff: 1) one secretary and contact man for liaison with representatives of other nationalities and with American circles; 2) one deputy and political adviser; 3) one political analyst; 4) and 5) two editors; 6) one in charge of files and the press; 7) one bookkeeper and office manager; 8) one translator, typist and aide in contacts.

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2) The amount of \$ [] for office and supplies is probably the result of some error. Annual office rent alone amounts to \$ [] and the balance might suffice for light and telephone. But there appears to be no provision made for such items as the following: office supplies, postage, subscriptions to American and Soviet newspapers and magazines, purchase of books and petty cash expenses. Neither is there any consideration given to such items as compulsory taxes (FICA, Unemployment, Disability, etc.) nor insurance which total over \$296 per month.

3) In the matter of the budget for publication of newspapers our representatives in the field will state our position. On our part we can only note at present that under such a curtailed budget it will be impossible to continue publication of newspapers and books as heretofore, and we shall be able to put out only one newspaper in the future.

We had made a proposition in the field, to reorganize our publications and to publish only one newspaper and one monthly magazine for all emigres, to include also authors of other nationalities. But it seems that this plan will not be possible to realize.

4) The amount earmarked for the "IDENTITY-A" is definitely too small. It will barely cover the postage of the number of issues distributed from our main office to other countries and in turn to the USSR.

The stated amount does not take into consideration the need of maintaining a central file and addresses for the IDENTITY-A. We believe that one person at least will be busy keeping a central file and subdividing it for various countries from which IDENTITY-A is ultimately distributed. Maintenance of such a file is essential to make this undertaking a planned and not a temporary feature.

Distribution of the IDENTITY-A in the USSR is only in its first stages of development and its success, as we see it, will depend on planned execution and development. The main objective is to distribute the IDENTITY-A over the entire territory of the Ukrainian SSR, so that there would be at least 5 copies of IDENTITY-A going out to an average of 8,000 of the population, and addressed both to individuals, as well as institutions and officials.

5) Reduction of the amount of subsidy to IDENTITY-B will have a negative effect on the program, since under 1/3 of the needed amount its quality will suffer, as it is impossible for one person to complete a 15-minute program every day. This is all the more regretful, since other nationality groups on IDENTITY-B receive more permanent and much higher subsidies from American circles. It would therefore be desirable to increase the amount to a minimum of \$100.00 per month which would give two people partial reimbursement for their work.

6) We are enclosing our minimum project of an estimated budget. We have drawn it after careful analysis and after making all possible reductions. Unless the project can be effected, we, as a political group see no way of continuing our work within the present scope, and we could not successfully carry out our assumed obligations.

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UNDER SUPERSEDE COVER ATTACHMENT B TO
EGM4-4263

ESTIMATED BUDGET

for 1957-1958

Salaries	\$ 8,000.00	
8 men @ \$400.00	<u>38,400.00</u>	\$46,400.00
Operations		<input type="checkbox"/> <input checked="" type="checkbox"/>
Overseas		<input type="checkbox"/> <input checked="" type="checkbox"/>
Supplements and Equipment:		
Taxes: FICA		
Unemployment	<input type="checkbox"/> <input checked="" type="checkbox"/>	
NY State Ins. Fund		
Disability and other		
Taxes and Insur.	<input type="checkbox"/> <input checked="" type="checkbox"/>	
Rent		
Light & Heat		
Telephone		
Postage		
Stationery & Office Supplies		
Newspapers & Books		
Repairs & Maintenance		
Bank services		
Radio (N.U.)		<input type="checkbox"/> <input checked="" type="checkbox"/>
Identity-A		<input type="checkbox"/> <input checked="" type="checkbox"/>
Dudincew books		<input type="checkbox"/> <input checked="" type="checkbox"/>
Identity-B		<input type="checkbox"/> <input checked="" type="checkbox"/>
Special Funds		<input type="checkbox"/> <input checked="" type="checkbox"/>
Total	<u>1</u>	<u>2</u>

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UNDER SEPARATE COVER ATTACHMENT G TO
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IDENTITY-A - Information Bulletin

IDENTITY-B - Radio Madrid

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